

## Message Text

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PAGE 01 STOCKH 02482 01 OF 02 100847Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 /020 W  
-----100851Z 015321 /15  
R 100702Z JUN 77  
FM AMEMBASSY STOCKHOLM  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 815

UNCLAS SECTION 1 OF 2 STOCKHOLM 2482

E.O. 11652: N/A  
TAGS: BEXP, SW  
SUBJECT: MARKET RESEARCH UPDATE: PULP AND PAPER EQUIPMENT-SWEDEN

REF: STOCKHOLM 2400

### 1. SPECIAL INQUIRY RESPONSES:

A. THERE ARE APPARENTLY NO CURRENT SWEDISH GOVERNMENT STUDIES TO QUANTIFY ECONOMIC BENEFITS OF POLLUTION CONTROL/ENERGY CONSERVATION SYSTEMS. POLLUTION CONTROL BY INDUSTRY CONTINUES TO HAVE STRONG GOVERNMENT SUPPORT. OVER \$200 MILLION HAVE BEEN INVESTED IN POLLUTION CONTROL BY SWEDISH PULP AND PAPER INDUSTRY DURING LAST SIX YEARS; OF THAT APPROX 20 PERCENT WAS GOVERNMENT CONTRIBUTION. ANY INVESTMENT THAT IMPROVES THE WORKING ENVIRONMENT QUALIFIES FOR SPECIAL INCENTIVES. PROBABLY ONE-THIRD OF ENERGY-SAVING INVESTMENTS WOULD BE SUBSIDIZED BY GOVERNMENT INCENTIVES, ACCORDING TO AN INDUSTRY SPOKESMAN.

B. ACADEMIC AND ENVIRONMENT PROTECTION BOARD SOURCES NOT AWARE ANY US-FUNDED LOW ENERGY USE STUDY IN SWEDEN. PERHAPS NSF IN US COULD HELP IDENTIFY SUCH PROJECT IF IT EXISTS. GENERALLY, THE PULP AND PAPER INDUSTRY, AS A 40 PERCENT USER OF SWEDISH INDUSTRIAL ENERGY, IS VERY INTERESTED IN REDUCED USAGE AND IS PROCEEDING WITH EFFICIENCY INVESTMENTS. PROCESS ENERGY CONSUMPTION PER UNIT OF PRODUCTION HAS BEEN STEADILY DECREASING SINCE 1973.

C. 1976 SWEDISH EXPORTS OF PAPER AND BOARD WERE 3.25 MILLION  
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PAGE 02 STOCKH 02482 01 OF 02 100847Z

TONS AND PULP 3.15 MILLION TONS. OF THIS, THE TRADITIONAL 85 PERCENT WENT TO WESTERN EUROPE. 10 PERCENT AVERAGE GROWTH IN EXPORTS IS EXPECTED EACH OF NEXT TWO YEARS.

D. THE TREND IS FOR LONG TERM STABLE PRICE AGREEMENTS BETWEEN SWEDISH SUPPLIERS AND EUROPEAN MARKETS. THIS MAY RESULT IN COMPETITION UNDERSELLING SWEDEN DURING LOW-DEMAND PERIODS AS OCCURRED TO SOME DEGREE IN 1976 (SEE PARA 3.C.5 OF

REFTEL). MAJOR PURPOSE OF LONG TERM PRICE AGREEMENTS WITH CUSTOMERS IS TO PROVIDE STABLE CLIMATE FOR SWEDISH PULP AND PAPER INVESTMENT. PRICES ALONE ARE NOT EXPECTED TO HAVE EFFECT ON INVESTMENT IN 1978/79. HOWEVER CURRENT LARGE INVENTORIES ARE RESULTING IN DELAY OF SOME INVESTMENTS.

E. MOST MARKET PROJECTIONS, INCLUDING FAO STUDY, INDICATE WORLDWIDE DEMAND WILL EXCEED PULP AND PAPER SUPPLIES SOMETIME BETWEEN 1980 AND 1985. THUS THE LARGE AUTOMATED SWEDISH MILLS WILL BE IN A GOOD POSITION.

F. THE PULP AND PAPER ENGINEERS' ANNUAL MEETINGS AND CONFERENCE WILL BE HELD APRIL 4-6. INTEREST IN PARTICIPATING THIS CONFERENCE SHOULD BE DIRECTED TO MR. BENGT JAKOBSSON, SPCI, VILLAGATAN 1, S-114 32 STOCKHOLM, PHONE 8/22 17 00. APRIL 7 WILL BE DEVOTED TO TECHNICAL PRESENTATIONS BY EXHIBITORS; INTEREST BY ANY US EXHIBITOR IN PRESENTING A TECHNICAL TALK SHOULD BE DIRECTED ASAP TO MR. HAKAN SCHEDIN, ADFORUM, FACK, S-103 60 STOCKHOLM, PHONE 8/23 52 35, TELEX 17186, WITH COPY TO STC.

2. PAGE 3, PARA 6 ADD: PAPER FROM SWEDEN'S EFFICIENT, LARGE-SCALE MILLS IS EXPECTED TO BE EXTREMELY COMPETITIVE WITH PAPER PRODUCED IN THE EEC WHEN THE TARIFFS DROP TO ZERO, AS THEY ARE SCHEDULED TO DO IN 1984.

A. PARA 8: DELETE

B. PARA 9: TOTAL INVESTMENTS ARE EXPECTED TO REACH \$252 MILLION IN 1979.

C. PAGE 4, PARA 1: DELETE

D. PARA 2: THE SWEDISH PULP AND PAPER INDUSTRY HAS BEEN STEADILY RESTRUCTURING AND CONSOLIDATING ITSELF. THE LARGEST UNCLASSIFIED

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PAGE 03 STOCKH 02482 01 OF 02 100847Z

FIRMS IN 1977 ARE:

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PAGE 01 STOCKH 02482 02 OF 02 100902Z  
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INFO OCT-01 ISO-00 EB-07 /020 W

-----100910Z 015525 /12

R 100702Z JUN 77

FM AMEMBASSY STOCKHOLM

TO USDOC WASHDC  
INFO SECSTATE WASHDC 816

UNCLAS SECTION 2 OF 2 STOCKHOLM 2482

(1) SVENSKA CELLULOSA AB, SUNDSVALL  
MO OCH DOMSJO AB (MODO) ORNSKOLDSVIK  
STORA KOPPARBERGS BERGSLAGS AB, FALUN (RECENTLY MERGED  
WITH BERGVIK & ALA)  
SODERA SKOGSAGARNAS AB, VAXJO (RECENTLY MERGED WITH KLIPPAN)  
BILLERUDS AB, SAFFLE  
AB STATENS SKOGSINDUSTRIER (ASSI) STOCKHOLM  
AB IGGESUNDS BRUK, IGGESUND  
HOLMENS BRUK AB, NORRKOPING  
NORRLANDS SKOGSAGARES CELLULOSA AB (NCB), KRAMFORS  
AB PAPYRUS, MOLNDAL (RECENTLY MERGED WITH KOPPARFORS)  
KORSNAS-MARMA AB, GAVLE  
MUNKSJO AB, JONKOPING  
UDDEHOLMS AB, HAGFORS

E. PAGE 7, PARA 2: ADD: A SURVEY OF THE INDUSTRY CONCLUDES THAT  
THE COMPANIES PLAN POLLUTION CONTROL INVESTMENTS TOTALING OVER  
\$300 MILLION IN THE NEXT FOUR YEARS.

F. PARA 3: SWEDISH DEMAND FOR PULP/PAPERMAKING EQUIPMENT

|                           | MACHINERY | INSTRUMENTS | TOTAL |
|---------------------------|-----------|-------------|-------|
| 1974 APPARENT CONSUMPTION | 99.1      | 14.9        | 114.0 |
| 1974 PRODUCTION           | 133.4     | 8.3         | 141.7 |
| 1974 EXPORTS              | 81.3      | 6.2         | 87.5  |
| 1974 IMPORTS              | 47.0      | 12.8        | 59.8  |
| 1976 C (EST)              | 146       | 18          | 164   |
| 1976 P (EST)              | 180       | 11          | 191   |
| 1976 C                    | 138       | 9           | 147   |

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PAGE 02 STOCKH 02482 02 OF 02 100902Z

|                  |     |    |     |
|------------------|-----|----|-----|
| 1976 I           | 104 | 16 | 120 |
| 1979 C PROJECTED | 229 | 23 | 252 |
| 1979 P PROJECTED | 257 | 14 | 271 |
| 1979 E PROJECTED | 222 | 13 | 235 |
| 1979 I PROJECTED | 194 | 22 | 216 |

G. PARA 4: SEE PAGE 11 OF A-29

H. PAGE 8, PARA 2: STATSFORETAG TURNOVER \$1.9 BILLION IN 1975.

3. BEST SALES PROSPECTS ARE:

BOD AUTOMATIC ANALYSIS  
RECORDERS FOR H2S EMISSIONS  
IN-LINE REGULATORS, METERS AND PROPORTIONING SYSTEMS  
DE-SHIVERS FOR REPLACEMENT OF BEATING AND SCREENING  
CHIP MEASURING AND FEEDING DEVICES  
ENERGY SAVING PROCESSES  
MONITORING SYSTEMS TO MAINTAIN CONSTANT ENERGY USAGE  
LOW POLLUTION BLEACHING SYSTEMS

PROCESS CONTROL/COMPUTER SYSTEMS  
FOURDRINIER TWIN WIRE FORMERS  
SUCTION BOX COVERS  
COATING, OFF-LINE  
NOISE REDUCTION EQUIPMENT  
A. GOOD SALES PROSPECTS ARE:  
FIBER CONCENTRATION INSTRUMENTS  
SLUSHERS, DEWATERERS AND CLEANERS FOR RECYCLING  
IR MOISTURE MEASUREMENT  
HOT-MELT APPLICATIONS  
REVERSE OSMOSIS WATER PURIFICATION SYSTEMS  
PAPER STOCK CONTROL VALVES  
PRE-TREATMENT SYSTEMS TO INCREASE DEFIBRABILITY OF CHIPS  
WHILE TREE SYSTEMS  
REFINERS  
SCREENING  
TISSUE-MAKING PAPER MACHINES  
PNEUMATIC CONTROL INSTRUMENTS  
ROTATING CUTTERS  
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PAGE 03 STOCKH 02482 02 OF 02 100902Z

SPECIALIZED MATERIALS HANDLING SYSTEMS

#### 4. SWEDEN'S SHARE OF THE WORLD'S

| PRODUCTION          | EXPORT       |             |
|---------------------|--------------|-------------|
| SAWN SOFTWOOD       | 14.1 PERCENT | 4.1 PERCENT |
| PULP AND WOOD FIBER | 8.2          | 24.2        |
| PAPER AND BOARD     | 3.6          | 13.4        |
| FIBERBOARD          | 5.4          | 20.5        |

(FROM TRAKTOR JOURNALEN, 4/1977, PAGE 138).  
PERRY

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## Message Attributes

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